

December 14, 2005

FINDING OF NO SIGNIFICANT IMPACT

TO ALL INTERESTED GOVERNMENTAL AGENCIES AND PUBLIC GROUPS

As required by state and federal rules for determining whether an Environmental Impact Statement is necessary, an environmental review has been performed on the proposed action below:

Project	Hamilton Special Improvement District 20
Location	Hamilton, Montana
Project Number	C302204
Total Cost	\$1,260,000

The City of Hamilton has identified the need to extend water and sewer mains to properties along the east side of Highway 93 north of Hamilton from the Merchants Delivery and Storage property, to properties located just north of Riverside Cut-Off. A majority of the properties within the District have already been developed as commercial sites and are currently served by individual wells and septic systems. Groundwater under these properties is shallow and the soils are porous sands and gravels, so the septic systems may be causing groundwater degradation.

The recommended alternative is to install a gravity collection system (4,555 feet in length) on the east side of Highway 93 that will direct flow to an existing lift station located on the west side of the highway. The existing lift station will be upgraded with a telemetry SCADA system that will connect to the City's control center, an effluent flow meter, and a connection and transfer switch for a back-up generator. The water mains will include completion of a 12-inch loop from the existing 8-inch main on the west side of Highway 93 to the end of the existing 12-inch main at Riverside Cut-Off. A water main (4,540 feet in length) will be installed to serve commercial businesses fronting the east side of Highway 93. Fire hydrants will also be installed along the east side of the highway.

Federal and State loan programs will fund the project. Environmentally sensitive characteristics such as historical, wetlands, floodplain and threatened or endangered species are not expected to be adversely impacted as a result of the proposed project. No significant long-term environmental impacts were identified. An environmental assessment, which describes the project and analyzes the impacts in more detail, is attached to this Finding of No Significant Impact.

These documents are available for public scrutiny at the following locations:

Department of Environmental Quality
1520 East Sixth Avenue
P.O. Box 200901
Helena, MT 59620-0901

City of Hamilton
223 South Second Street
Hamilton, MT 59840

Comments supporting or disagreeing with this decision may be submitted for consideration by the Department of Environmental Quality. After evaluating the comments received, the agency will make a final decision. However, no administrative action will be taken on the project for at least 30 calendar days after release of the Finding of No Significant Impact.

Sincerely,

Todd Teegarden, Bureau Chief
Technical and Financial Assistance Bureau
Planning, Prevention & Assistance Division

HAMILTON SPECIAL IMPROVEMENT DISTRICT 20
ENVIRONMENTAL ASSESSMENT

I. COVER SHEET

A. PROJECT IDENTIFICATION

Applicant: City of Hamilton
Address: 223 South Second Street
Hamilton, MT 59840

B. CONTACT PERSON

Name: Joseph Petrusaitis, Mayor
Address: 223 South Second Street
Hamilton, MT 59840
Telephone: (406) 363-2101

C. ABSTRACT

The City of Hamilton has identified the need to extend water and sewer mains to properties along the east side of Highway 93 north of Hamilton from the Merchants Delivery and Storage property, to properties located just north of Riverside Cut-Off. A majority of the properties within the District have already been developed as commercial sites and are currently served by individual wells and septic systems. Groundwater under these properties is shallow and the soils are porous sands and gravels so the septic systems may be causing groundwater degradation.

The recommended alternative is to install a gravity collection system (4,555 feet in length) on the east side of Highway 93 that will direct flow to an existing lift station located on the west side of the highway. The existing lift station will be upgraded with a telemetry SCADA system that will connect to the City's control center, an effluent flow meter, and a connection and transfer switch for a back-up generator. The water mains will include completion of a 12-inch loop from the existing 8-inch main on the west side of Highway 93 to the end of the existing 12-inch main at Riverside Cut-Off. A water main (4,540 feet in length) will be installed to serve commercial businesses fronting the east side of Highway 93. Fire hydrants will also be installed along the east side of the highway.

Federal and State loan programs will fund the project. Environmentally sensitive characteristics such as historical, wetlands, floodplain and threatened or endangered species are not expected to be adversely impacted as a result of the proposed project. No significant long-term environmental impacts were identified.

D. COMMENT PERIOD

Thirty (30) calendar days

II. PURPOSE AND NEED FOR ACTION

The City of Hamilton is located in Ravalli County, in western Montana along Highways 93 (Figure 1). The one mile stretch on the east side of Highway 93 proceeding north from Hamilton has been built up over the past 20 years to include 17 businesses and commercial users (Figure 2 and 3). The buildings on these properties are served by individual wells and septic systems. Groundwater under these properties is shallow and the soils are porous sands and gravels. The septic systems are undoubtedly causing groundwater degradation and serve as a non-point source of pollution to the Bitterroot River. The Ravalli County Health Department has established a moratorium on the installation of new septic systems along the Highway 93 corridor. These septic restrictions have prevented the remaining vacant lots from being developed and have prevented the existing businesses from being able to reach their full development potential. Fire protection of the area is in question as the nearest hydrants are across the highway and in the City's jurisdiction. The ability to extend water and sewer mains to this area will be lost once the new Highway 93 North reconstruction and re-alignment project is complete in the summer of 2006. Based on these concerns, the city hired Professional Consultants, Inc. to extend water and sewer mains to the east side of Highway 93.

III. ALTERNATIVES INCLUDING THE PROPOSED ACTION

A. Four alternatives for addressing Hamilton's wastewater collection and water system expansion needs were evaluated. These include:

1. No Action
2. Extend Water and Sewer Mains Up the East (Back) Side of the District Properties
3. Gravity Sewer North to the Old Corvallis Road Force Main
4. Gravity Sewer Across Highway 93 to Existing Lift Station

1. NO ACTION - The no-action alternative would involve leaving several on-site septic systems in operation to continue the degradation of shallow groundwater and serve as a non-point source of pollution to the Bitterroot River. The sewer moratorium will remain in effect preventing the development of vacant lots and the growth of the businesses in this area. Fire protection will remain in question because the nearest hydrants are located across Highway 93 and in City jurisdiction. Lastly, the construction opportunity to extend water and sewer mains to this area will be lost once the new Highway 93 North re-construction and re-alignment project is complete in the summer of 2006. For these reasons the no-action alternative was not recommended.

2. EXTEND WATER AND SEWER MAINS UP THE EAST (BACK) SIDE OF THE DISTRICT PROPERTIES - This alternative involves installing water and sewer mains along the east side of the District properties. This route was rejected due



Montana Department of
ENVIRONMENTAL QUALITY

Figure 1. Site Location Map – Hamilton, MT

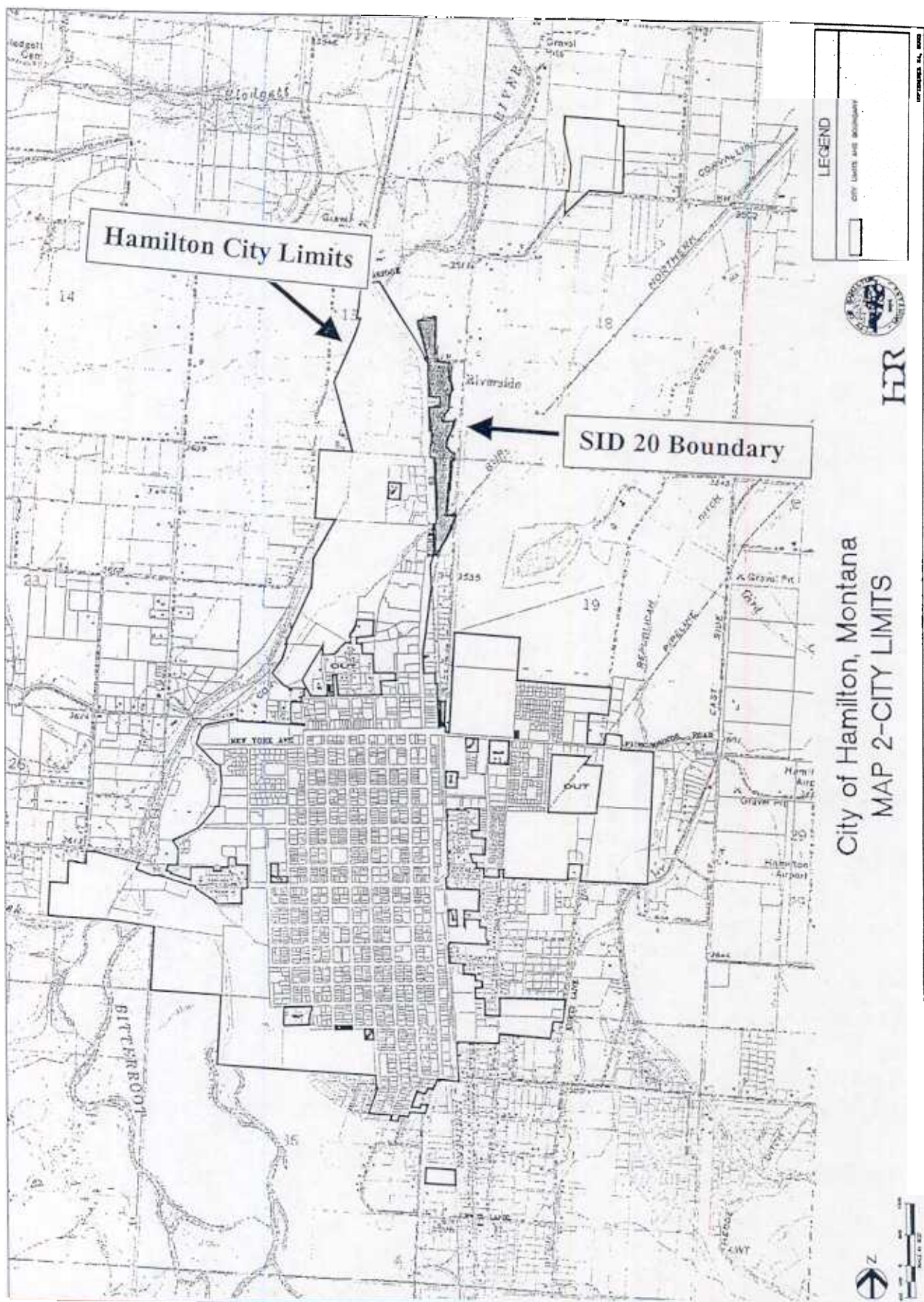


Figure 2

EXHIBIT 'A'

HIGHWAY 93 NORTH SEWER AND WATER SID 20
DISTRICT BOUNDARY
CITY OF HAMILTON

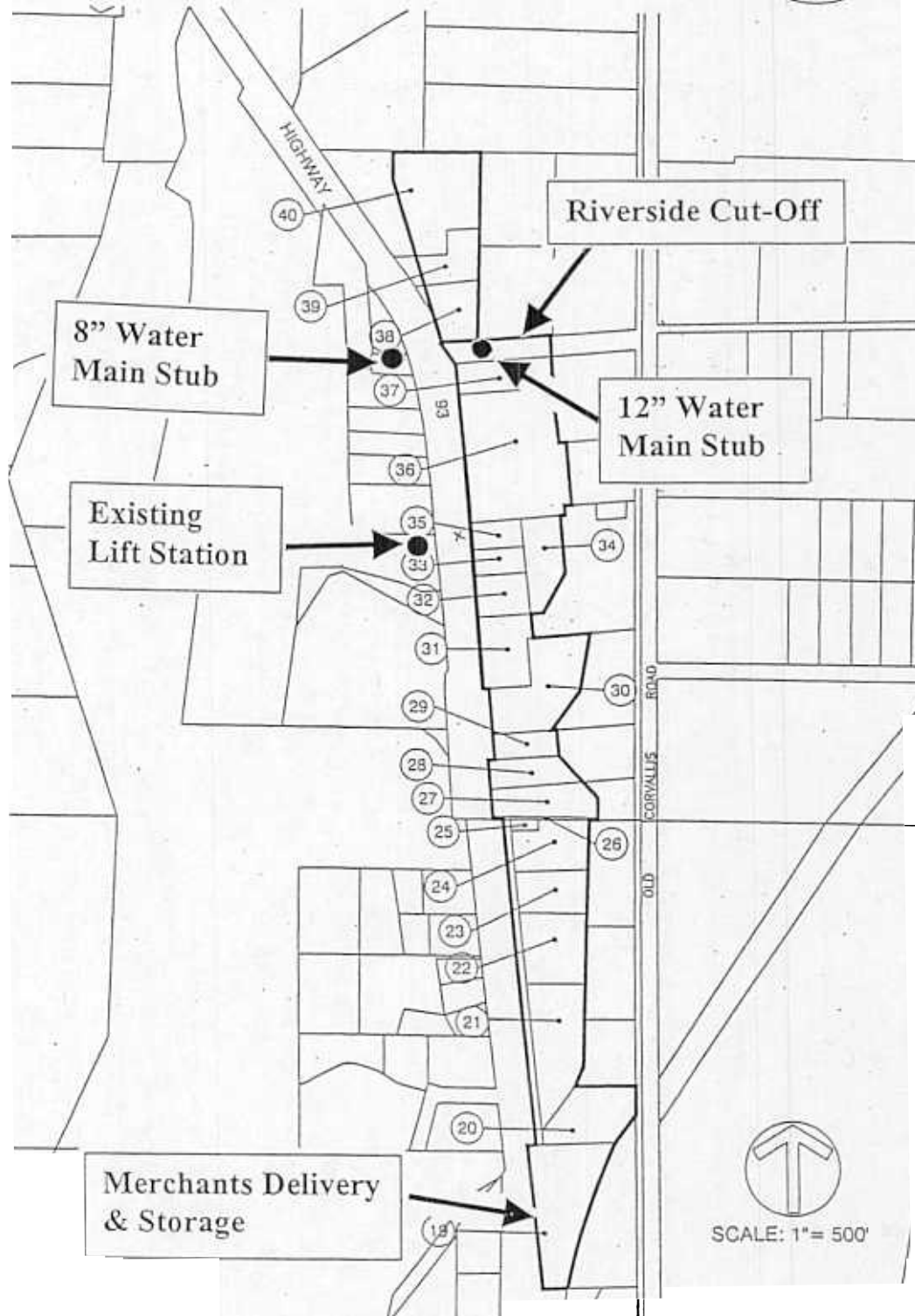


Figure 3

to the lack of easement and maintenance access. In addition, the presence of a “low drain” and wetland area would make construction costs and mitigation cost prohibitive.

3. **GRAVITY SEWER NORTH TO THE OLD CORVALLIS ROAD FORCE MAIN** – This alternative would require construction of another lift station to the north of Riverside Cut-Off. With City requirements for SCADA, on-site and enclosed back-up power, the lift station would add an additional \$200,000 to the project cost.
4. **GRAVITY SEWER ACROSS HIGHWAY 93 TO EXISTING LIFT STATION** - This alternative involves the installation of 8-inch and 10-inch gravity sewer mains that will direct flow to a collector manhole on the east side of the highway opposite an existing lift station. A 12-inch main will cross Highway 93 and deliver flow to the lift station (Figure 4). Upgrades to the lift station include a telemetry SCADA system that will connect to the City’s control center, an effluent flow meter, and a connection and transfer switch for a back-up generator. Six-inch sewer service stubs will be provided to each property along the highway frontage.

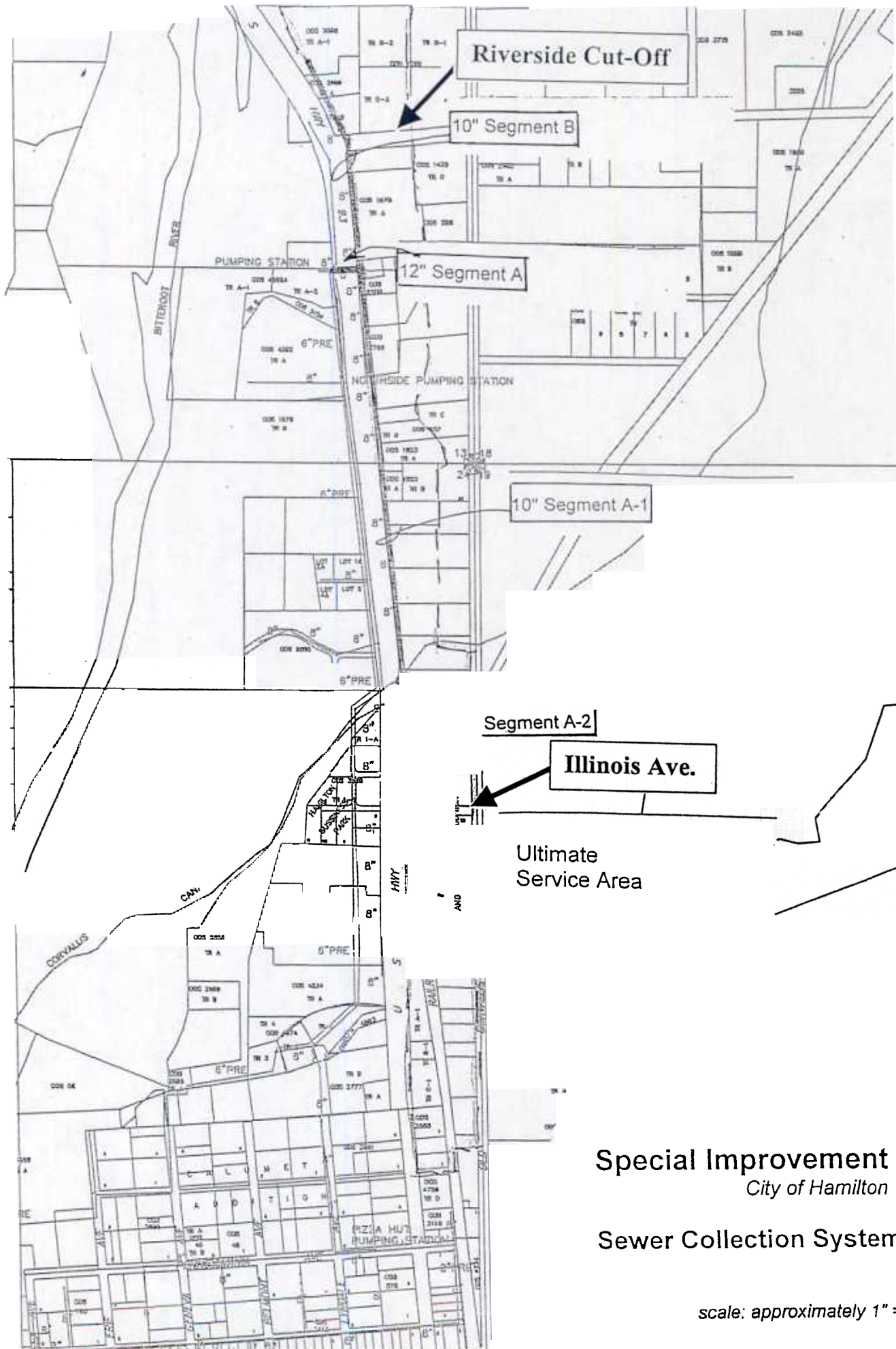
The water mains will include completion of a 12-inch loop from the existing 8-inch line on the west side of Highway 93 to the end of the existing 12-inch in Riverside Cut-off. From this looped connection, a 12-inch main will be extended south along the highway frontage to the intersection with Illinois Avenue (Figure 5). Fire hydrants will be installed at intervals of approximately 450 feet along the east side of Highway 93. Water service stubs will be provided to each property.

Based on cost effectiveness, operation and maintenance reliability, regulatory issues, social/public acceptance, and the environment, construction of a gravity sewer across Highway 93 to an existing lift station (alternative 4) was the recommended alternative.

B. PROJECT COST

The City has passed a Resolution creating Special Improvement District No. 20. The SID will be funded with 20-year bonds backed by the City and paid for through property taxes on the affected parcels. The bonds are to be purchased by the Drinking Water and Water Pollution Control State Revolving Fund loan programs (DWSRF and WPCSRF).

The total cost for the proposed project is \$1,260,000. The City will contribute \$100,000 from reserve funds for construction and will take out two State Revolving Fund (SRF) loans with 20-year terms to complete the funding package. One loan will be from the DWSRF program for \$638,000 at a 3.75% interest rate, for construction of the water mains and fire hydrants. The other will be from the WPCSRF program for \$627,000 at 3.75% interest rate for construction of sewer mains and lift station upgrades. The annual financial impact from SID 20 to the property owners along the east side of Highway 93 will range from \$779 to \$12,852.

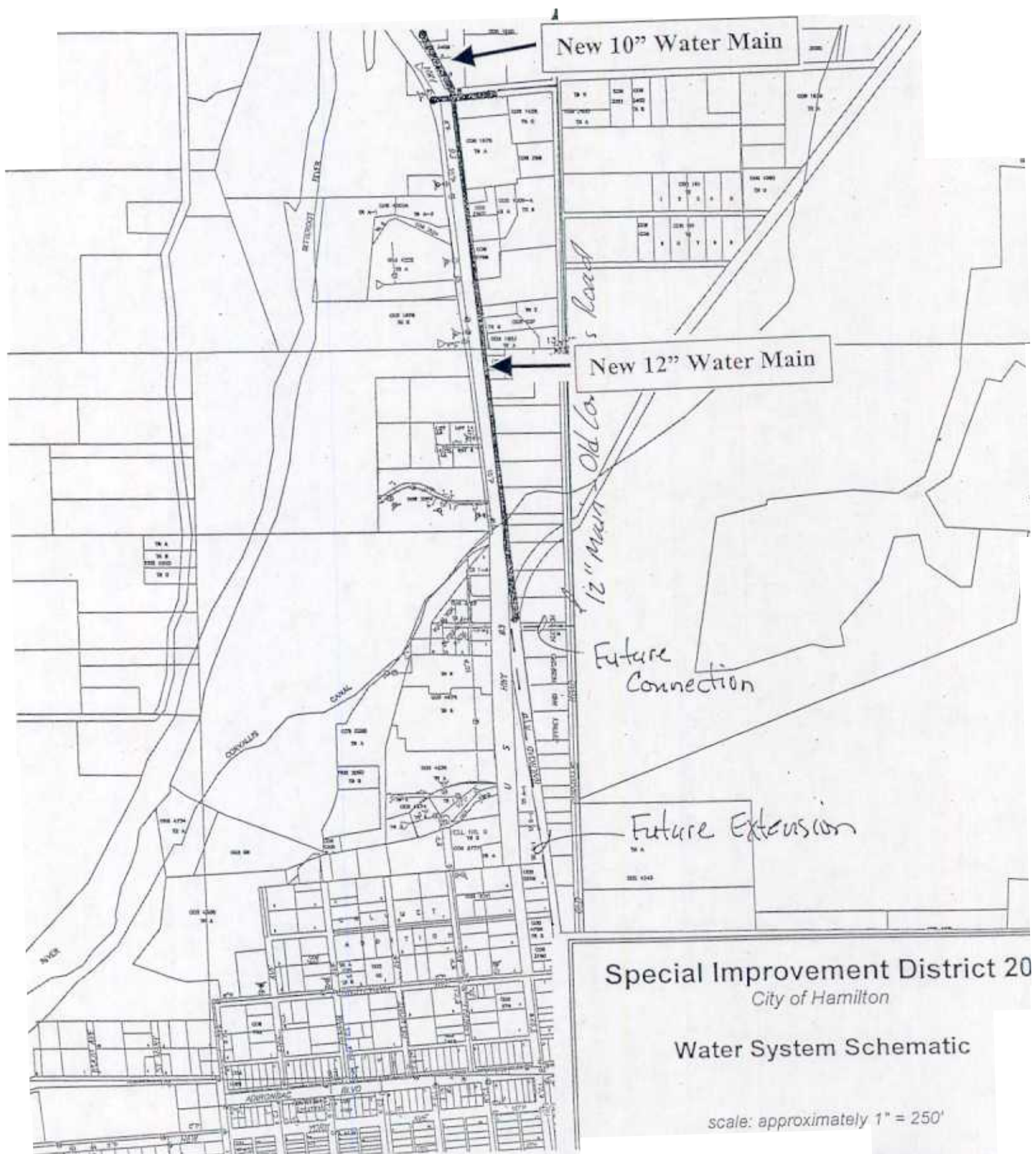


Special Improvement District 20
City of Hamilton

Sewer Collection System Schematic

scale: approximately 1" = 250'

Figure 4



IV. AFFECTED ENVIRONMENT

A. PLANNING AREA

The SID 20 boundary in relation to the Hamilton City limits can be seen in Figure 2. The directly benefited area of Special Improvement District 20 is the land fronting Highway 93 north from Merchants Delivery and Storage Property to the commercial properties north of Riverside Cut-Off encompassing about 30 acres (Figure 3). The potential future service area is limited to an additional 15 acres continuing south along Highway 93 to the Pizza Hut and the present City limits (Figures 4 and 5). As shown, all of these properties are adjacent to the City of Hamilton and are included in the City's growth plans as being a natural extension of City services and boundaries.

The project will take approximately five months to construct following system design. Construction is scheduled to begin in March 2006.

B. SEWER FLOW PROJECTIONS AND WATER USE DEMANDS

Seventeen of the existing twenty-three properties in the District are presently developed for commercial uses ranging from a bank, title companies, office complexes, real estate offices, and rental centers. The existing wastewater treatment facility that serves the City of Hamilton has the hydraulic capacity to handle these flows. It is projected that this project will send an additional 36,000 gallons per day (gpd), at full build out, to the City's wastewater treatment facility. The City is completing its 2005 Wastewater facilities plan and this project is included in the planned service area. The existing lift station has a design capacity of 86,600 gpd with duplexed 250 gpm pumps. Current flows to the lift station are approximately 46,500 gpd. Including SID 20, the lift station will receive a total of 82,500 gpd. As the commercial areas become more developed, and additional surrounding areas are brought on line, the pumping capacity of the lift station may need to be increased.

The Project will create additional demands on the City water system. The system was upgraded in 2004 to meet 20-year projections and this project was included in the planning area. According to the city's 2002 Water Improvement Plan, average daily use is approximately 1.6 MGD with peak days of 3.2 MGD. Maximum well production is 3.4 MGD. In 2003 and 2004 the City completed water system improvements including new supplies and storage to meet the 20-year growth demand. The area of SID 20 was included in the Planned Service Area. The average daily flow at complete build-out for SID 20 is 99,360 gpd.

C. NATURAL FEATURES

Hamilton, at an elevation of approximately 3,572 feet above sea level, is located in the Bitterroot Valley between two mountain ranges in western Montana: the Bitterroot Range to the west and the Sapphire Mountains to the east. The Bitterroot River, which flows north, is located approximately 1000 feet to the west

of the project site. The soils in the area are gravelly sands. Groundwater in the area is shallow ranging from 4 feet below the surface in the summer to 10 feet in the winter.

The Bitterroot River near Hamilton is classified as a B-1 surface water. Surface waters classified B-1 are suitable for drinking, culinary and food processing purposes, after conventional treatment. The growing season for the Bitterroot Valley area is approximately 130 -150 days. Precipitation in the area averages 12 inches/year and evaporation averages about 30 inches/year.

This project will install municipal water and sewer to 30 acres of an already developed commercial area. There are no unique natural features involved.

D. MAPS

Figure 3 shows the planning area boundary for SID 20. Figure 4 shows the layout of the proposed sewer collection system expansion and figure 5 shows the layout of the proposed water system expansion. Figures 4 and 5 also show the area to the south of SID 20 that may eventually receive city water and sewer services.

V. ENVIRONMENTAL IMPACTS OF PROPOSED PROJECT

A. DIRECT AND INDIRECT ENVIRONMENTAL IMPACTS

1. Land Use – Special Improvement District 20 is adjacent to the Hamilton City limits across Highway 93 and encompasses approximately 30 acres. Seventeen of the existing 23 properties within the District are developed with commercial uses including a bank, title companies, office complexes, real estate offices, and rental centers. This project may impact another 15 acres of land south along the east side of Highway 93 to the Pizza Hut and the present City limits. No major changes in land use are envisioned for the District, but extending water and sewer service to this area will lift the sewer moratorium and enable the remaining properties to be developed. There are no agricultural lands involved in this project. There are prime farmland soils located within 1 mile east of the project on lands commonly known as the “Stock Farm”. These lands are not affected by this project.
2. Floodplain – The project is not within the defined floodplain of the Bitterroot River.
3. Wetlands – The NWS/USGS Wetlands Database indicates freshwater emergent wetlands on the west side of Highway 93. No wetlands were identified on the east side of the highway where the project is located.
4. Cultural Resources –The Montana Historical Society stated that since the project will occur within Highway 93 right of way there is a low likelihood cultural properties will be impacted and that a cultural resource inventory for the proposed improvements is unwarranted at this time.

5. Fish and Wildlife – The project extends water and sewer to 30 acres of an already developed commercial area. The proposed wastewater improvements will have no significant impact to fish or wildlife in the area.
6. Water Quality – The project will result in the removal of 14 on-site septic systems that are contributing to the degradation of groundwater. While the shallow aquifer under these properties is not designated as “sole source” it does flow directly to the Bitterroot River.
7. Air Quality – Short-term negative impacts on air quality will occur during construction from heavy equipment in the form of dust and exhaust fumes. Dust will be mitigated due to the coarse granular nature of the soils to be excavated and the presence of groundwater. There are no significant effects on air quality expected.
8. Public Health - Public health will not be negatively affected by the project. An adequate water supply is necessary for public health and safety, including fire protection, and collection and treatment of sanitary wastes in the City treatment plant is a benefit to public health and safety. The project will also eliminate on-site septic systems, thereby reducing the potential to pollute groundwater and nearby surface waters.
9. Energy - A direct short-term impact of energy resources will be consumed during the construction phase. The project will result in additional flows to the existing lift station creating additional pumping costs. Telemetry control of the lift station will increase efficiency, but the net effect will be a minor increase in power consumption.
10. Noise - Short-term impacts from excessive noise levels may occur during the construction activities. However, construction will be along Highway 93 at existing commercial sites and the noise is not expected to be unusual. After the project is complete, there will be no noise impacts.
11. Traffic - The traffic along Highway 93 will be impacted. The highway in this area consists of 4 travel lanes with a center turn lane. During construction of this project, at least 2 lanes of traffic will be shut down.
12. Secondary Impacts – Extending municipal water and sewer service to SID 20 may result in secondary impacts that are associated with the growth of the community. These can include impacts for housing and additional commercial development, agricultural lands, solid waste, transportation and utilities.

The proposed water and sewer mains have provisions for extending service to an additional 15 acres to the south along the east side of highway 93. This area extends from the Merchants Delivery and Storage property to the Pizza

Hut and the present city limits. Future plans are to connect the water main back into the City grid at Fairgrounds Road or to complete a loop by extending the south end of the main east in the undeveloped Illinois Avenue to connect with the 12-inch main in Old Corvallis Road. The sewer collection main to this area would most likely continue to be gravity flow back to the existing lift station.

B. UNAVOIDABLE ADVERSE IMPACTS

Short-term construction related impacts (i.e., noise, dust, traffic disruption, etc.) will occur but should be minimized through proper construction management. Energy consumption (i.e., fossil fuels) during construction and for the additional operation of the lift station and water and sewer treatment cannot be avoided.

C. LISTING AND EVALUATION OF MITIGATION, STIPULATIONS AND OTHER CONTROLS ENFORCEABLE BY THE AGENCIES

Air Quality – Dust control will be required through the contract documents during construction to mitigate the temporary impact of construction. Watering during construction is a common and effective measure to control dust.

Noise - Short-term impacts from excessive noise levels may occur during the construction activities. Noise associated with construction activities will be mitigated by restricting activity to normal working hours.

Run-off and Erosion – Project construction will require a Storm Water Discharge General Permit. The construction discharge permit and surface water pollution prevention plan (SWPPP) will be submitted to and approved by the Montana DEQ prior to construction on the site. The SWPPP will include best management practices requirements for proper silt/sediment control so that surface water impacts during construction are minimal. Crossing the Corvallis Canal will occur in the winter months with the canal water shut off. The excavation through the canal will be backfilled with tight clay and a bentonite seal to prevent leakage.

Energy - The only permanent long-term adverse environmental impact is the increased consumption of energy. This will be mitigated as much as possible through the use of high efficiency motors and other energy conserving devices.

Historical and Archaeological Sites – No known historical or archaeological sites are present within the proposed project area. If any archaeological resources are discovered, the Montana State Historic Preservation Organization (SHPO) must be notified.

Density and Distribution of Population and Housing – The project will allow the remaining properties within the District to be developed or expand. Adequate sewer collection and treatment to this area will encourage the retention of existing businesses and may enhance local employment and income patterns.

Private Property Impacts – The project will not generate regulatory actions on private property rights. Improvements will take place on existing public lands or public right-of-ways. The city has obtained easements for construction of the water and sewer mains. Prior to any construction activities, a *Site Title Opinion* from the city's legal counsel will verify this.

Controls Enforceable by Agencies – DEQ will review and approve construction plans and specifications for the project and will issue a Storm Water Discharge Permit.

VI. PUBLIC PARTICIPATION

Several public meetings discussing the City of Hamilton's SID 20 improvements project were held starting in March 2005 through August 2005. During these meetings the need for the project, creation of the SID, annexation of property, project costs, funding sources, impacts to property taxes, the capacity at the wastewater treatment facility, and expansion for fire protection were discussed. At the April 19, 2005 public hearing, 51.5% of the property owners in the proposed SID opposed the creation of the District. The District boundaries were redefined and the annexation period reduced from 15 years to 7 years. On August 16, 2005, the Hamilton City Council members, with only one protest filed with the City Clerk, passed the resolution creating SID 20.

VII. REFERENCE DOCUMENTS

The following document has been utilized in the environmental review of this project and is considered to be part of the project file:

1. Preliminary Engineering Report Water and Sewer Main Extensions Special Improvement District 20 City of Hamilton, November 2005. Professional Consultants Inc., Missoula, MT.
2. Uniform Environmental Checklist certified by Project Engineer Tom Hanson. November 2005. Professional Consultants, Inc. Missoula, MT.
3. Special Improvement District No. 20 City of Hamilton Engineering Design Report. October 2005. Prepared by Professional Consultants, Inc. Missoula, MT.

VIII. AGENCIES CONSULTED

The following agencies have been contacted in regard to the proposed construction of this project:

1. The U.S. Fish and Wildlife Service and the Montana Fish, Wildlife and Parks, were asked to comment on the recommended alternative. The U.S. Fish and Wildlife Service reviewed the project and determined that no federally-listed species or designated critical habitat occurs within the project area. They concluded that no further review under S.7 of the Endangered Species Act was necessary. The Montana Fish, Wildlife and Parks reviewed the proposal to

extend sewer and water mains the SID 20 area and had no comments.

2. The Montana State Historic Preservation Office (SHPO) considered the impacts of the proposed project on historical sites and cultural resources. SHPO has stated that there have been a few previously recorded historic or archaeological sites within the designated search locales. In addition to the sites there have been several previously conducted cultural resource inventories done in the areas. SHPO felt that because the project will occur within Highway 93 right of way there is a low likelihood that the proposed project will impact any cultural resources and therefore determined that a cultural resource inventory was unwarranted at this time. However, if cultural materials are inadvertently discovered during the project, their office must be contacted and the site investigated.
3. The Department of the Army commented on the proposed project. The Corps of Engineers is responsible for administering Section 404 of the Clean Water Act, which regulates the excavation or placement of dredged or fill material below the ordinary high water mark of our nation's rivers, streams, lakes or in wetlands. The Corp's comment letter indicated that the proposed activity is not regulated under Section 404 of the Clean Water Act since the new utility lines will be located in the existing road prism and do not involve placement of fill material in any wetlands or other waters of the U.S. It is their recommendation that proper safeguards be implemented to ensure that any wetlands adjacent to the work area not inadvertently filled or impacted during construction.
4. The Department of Natural Resources and Conservation (DNRC) commented on the proposed project. They indicated that the project site is not located within a designated 100-year floodplain according to the Ravalli County Flood Insurance Rate Map Panel 189 C dated September 7, 1998. Therefore, the project will not need a floodplain development permit, and will be in compliance with the Flood Disaster Protection Act of 1973, the NFIP and EO 11988 & 11296 as far as the floodplain management section is concerned.

IX. AGENCY ACTION, APPLICABLE REGULATIONS AND PERMITTING AUTHORITIES:

No additional permits will be required from the State Revolving Fund (SRF) section of the DEQ for this project after the review of the submitted plans and specifications. The project will require a Storm Water Discharge General Permit and, if necessary, a Groundwater Discharge Permit from DEQ. A Utility Occupancy Permit will be required from the Montana Department of Transportation.

X. Recommendation for Further Environmental Analysis:

☐ EIS ☐ More Detailed EA ☒ No Further Analysis

Rationale for Recommendation: The City of Hamilton SID 20 project was evaluated in a preliminary engineering report (PER) prepared by Professional Consultants Inc. Specific

environmental impacts were solicited from five agencies including: the State Historic Preservation Office, the US Army Corps of Engineers, the Department of Natural Resources and Conservation, Montana Fish Wildlife and Parks, and the U.S. Fish and Wildlife Service. Based on the responses received from these agencies and information presented in the PER the Department of Environmental Quality determined an environmental impact statement was not required and the EA was an appropriate level of analysis. A Finding of No Significant Impact (FONSI) will be issued and legally advertised in the local newspaper and distributed to a list of interested agencies. Comments regarding the project will be received for 30 days before final approval is granted.

EA Prepared By:

_____	_____
Mike Abrahamson	12/10/05
(Name)	Date

Approved By:

(Print: name & title)

_____	_____
Signature	Date